

State of Utah

Title and Escrow Commission Meeting

Meeting Information

Date: **June 9, 2008**

Time: **Noon**

Place: Olmsted Room

Members

Commission Members

xChair, Glen W. Roberts, *Utah Cnty* xDavid M. Lattin, *Salt Lake Cnty*
xCanyon W. Anderson, *Davis Cnty* xGarry M. Goodsell, *Iron Cnty*
xJerry M. Houghton, *Tooele Cnty*

Department Staff

xJohn E. "Mickey" Braun, Jr. <i>Ass't Commissioner</i>	xPerri Babalis <i>AG Legal Counsel</i>	Darrel Powell <i>Dir. Market Conduct</i>	Mark Kleinfield <i>Admin. Law Judge</i>	
Tammy Greening <i>MC Examiner</i>	xSheila Curtis <i>MC Examiner</i>	xConnie Nowland <i>MC Examiner</i>	xSandra Halladay <i>MC Examiner</i>	xJilene Whitby <i>PIO/Recorder</i>
Public				
James Seaman	David Moore	Bob Rice		

MINUTES

- I. **Welcome and Introductions** / Glen Roberts, Chair
Glen welcomed attendees.
- II. **Adoption of Minutes of Previous Meeting**
Canyon made a **motion** to correct the escrow fee from \$250 to \$450 in the 3rd bullet point on the 3rd page, under Escrow Fees and then approve the minutes. David seconded it and the vote was unanimous.
- III. **Review & Concur with Licensee Report**
Canyon made a **motion** to concur with the licensing report, Jerry seconded it and the vote was unanimous.
- IV. **Number of Cases Open & Closed**
Canyon noted that three of the cases don't show what they are about. **Sheila said this was being corrected.**
- V. **Review & Concur with Enforcement Case Report**
Mickey said the informal actions would be the same process as we now have when annual reports are not filed. **He suggested adding it to a rule and bringing it back to the commission for their review next month.**
- VI. **Old Business**
 - **Review Comments Re: R592-8 & 9.**
No suggested changes were received during hearings. Once the comment period is concluded the Commission will the comments and decide on further action.
 - **R590-153/R592-6 Unfair Inducements**
 - o This rule was discussed informally between and after the hearings of R592-8 and R592-9 held at 9:15 and 10:00 AM respectively.
 - o Perri read off her list of items to be included on the list of those things that are an unfair inducement and the Commission decided if they should be included as unfair inducements in the rule.
 - Building plans. Not allowed list.
 - For Sale by Owner

- Surveys
- Appraisals
- Credit Reports
- Mortgage Leads to Loans
- Rental and Apartment Lists
- Printed labels.
- Economic lists: Those available to anyone without exception are acceptable. Those that involve leads to loan information for a particular transaction are not allowed. Acceptance is based on how the information is obtained and how it is distributed. Mickey noted that not all inducements are unfair. Regarding newsletters: information is generally for the public at large. James suggested using information that is not property specific or client specific. The newsletter should be kept to 2-4 pages in length and not include government reports. It can be put on the website. Glen suggested not including economic data in this list as long as it is sent out to the public at large.
- Perri and Mickey will draft the changes to the rule together.
- Pictures of homes are property specific, however, if from the county's website then it is not a problem. Don't include on list.
- "Construction critical past timeline" is individual specific. Put on the list and discuss at the next meeting.
- At 10:00 AM suspended informal meeting until after hearing on R592-9.
- At 10:40 AM hearing ended and Title Commission continued informal discussion.
 - Cannot provide access to agency's personal property software, except closing software. No sharing of passwords.
 - It is unlawful for an affiliate of a title agency to make a loan to a provider.
- **Escrow Fees / Canyon**
 - Should a minimum escrow fee be established that would be compliant with the minimum in the code?
 - Garry shared one fee scale of the total fee for the buyer and seller on a split. Also provided fees for other seller amounts.
 \$50-\$200,000
 \$200,000-\$500,000 has a \$.50 per \$1000 value;
 \$500 to a million has a \$.30 per \$1000 value;
 \$Million and up has a \$.25 per \$1000 value.
 - Glen asked if everyone was okay with the ranges and they responded they were.
 - Should there be a category for lower end deals?
 - Garry asked if we should be raising title amounts for the public and not title companies?
 - Glen suggested just charging an escrow fee and eliminating all of the other fees being charged. Canyon said the feds are headed in that direction.
 - Glen noted that padding fees is in violation of RESPA and, even with the padding, agencies are still losing money.
 - Maybe another level should be added at \$175,000 and charge at least \$200. Can't charge doc prep fee. Statutory reconveyance fee should be charged but can't be padded. Hard costs, like FedEx, must be charged. Charge tiered minimum fee and actual costs. Canyon said that if the reconveyance is the only thing issued then fee should not be charged. Garry was uneasy with charging \$500 for a closing fee.
 - Glen suggested setting tiers at the following limits then discussing them further at the next meeting:
 \$0 – \$100,000 with \$150 per side.
 \$100 - \$250,000 with \$250 per side.
 \$250 – \$450,000 with \$350 per side.

- Bob suggested setting the minimum based on the mean housing rate for a particular area. Glen noted that this had been discussed at an earlier meeting and the decision was not to do it.
- Mickey will make these tier changes to Rules R592-3 and R592-4 and bring them to the next meeting for approval.

VII. **New Business**

- **Email from Real Estate Division** / Mickey
 - Mark Steinagel sent this email. Mickey asked the Commission how he should respond. Mark wants the Commission's input on language that addresses title insurance from the proposed REPC. This was adopted Jan 2008. It is the 2008 ALTA Homeowner policy. It is a ULTA policy. Bob said that the ALTA and Eagle policies are exactly the same. The response to the first questions should be "Yes." Leave it to ULTA to be more specific in their response.
- **Insurance Department Corrective Action Policy** / Mickey

This is an internal policy. It provides guidance to investigators and examiners regarding forfeitures, fees, and penalties. This is protected document because it deals with litigation. It was decided that it would be shared with the Commission during the July meeting once members had signed a non-disclosure agreement.
- **Commission Chair** / Glen

Next month the Commission will need to vote on a new chair.
- **Mileage Per Diem Reimbursement Form** / Glen

Since mileage per diem forms were not included in Commission packets, Jilene will send them out to Commission members to complete, sign and return.
- **Trust Accounts and Bounced Checks** / James Seaman

This issue deals with insufficient funds and trust accounts. Currently there is no rule to report insufficient funds for trust account checks. Mickey said insurers had a duty to report. Glen asked that this topic be put on July's agenda.

VIII. **Other Business** from Committee Members

IX. **Adjourned:** Canyon made the motion to adjourn at 12:15pm and David seconded it.

X. **Next Meeting** July 16, 2008, 9a.m.

2008 Meetings

July 16, Olmsted Rm	Oct 8, Olmsted Rm
Aug 11, Olmsted Rm	Nov 10, Olmsted Rm
Sept 8, Olmsted Rm	Dec 8, Olmsted Rm